

1 COMMISSIONER WILHELM: Woody Jenkins. Mr. Jenkins
2 has quite a lot of paper with him. Is that for us or do you just
3 carry it around with you?

4 MR. JENKINS: I'm going to give you some of it.

5 COMMISSIONER WILHELM: Mr. Jenkins, thank you for
6 being here.

7 MR. JENKINS: Thank you. My name is Woody Jenkins,
8 and I'm a member of the Louisiana House of Representatives,
9 representing the City of Baton Rouge for the last 26 years. I
10 serve on the Criminal Justice Committee which is the committee
11 that regulates gambling in our state.

12 I'm very grateful that you've come to Louisiana, but
13 I do want to say that you've received very little information so
14 far about gambling in our state. There are, of course, people
15 here who are for it. We know that the people who own the
16 gambling enterprises are making lots of money; and the people who
17 are employed are for it, from the gambling industry; and the
18 contractors with them; and some of the public officials who are
19 gaining revenues from it; but in the rest of our state, gambling
20 is very unpopular. As a matter of fact, the latest polls on
21 video poker show public support it 17 percent.

22 As a member of the Criminal Justice Committee who sat
23 through innumerable hearings, witnessing things like this dear
24 lady who just spoke, and having my own state senator sitting in
25 federal prison today because of gambling-related bribery, I can
26 tell you that in our state gambling has been a disaster from the
27 standpoint of the effect of crime on individuals, the effect of
28 political corruption, kickbacks, bribery and payoffs, in terms of

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1 the economic consequences on individuals, from the standpoint of
2 devastation of families, and from the standpoint of corrupting
3 our election system here in Louisiana.

4 And I want to talk about that last point first just
5 to give an example of what's going on here. During the November
6 1996 federal elections, our last federal elections, the gambling
7 industry had deep illegal involvement in the election in support
8 of the Clinton-Gore ticket, to the point of contributing
9 literally millions of dollars illegally to that campaign. And
10 all of that is documented very well in these campaign finance
11 reports right here, campaign finance reports filed not with the
12 federal government, but with the state government, the state
13 campaign finance reports.

14 For example -- and I can run you through a hundred
15 organizations like this -- let's take the riverboats in Lake
16 Charles, Louisiana, who at the time of the federal election last
17 November '96 were also involved in their referendums.

18 Here I have their campaign finance reports: payments
19 for "Save our Boats/Save our Jobs"; hundreds and hundreds of
20 people employed on election day for that "Get out the Vote"
21 effort to help save the boats in Calcasieu Parish. If you look
22 over and see what those hundreds of people were actually passing
23 out, you find out that they were passing out sample ballots on
24 behalf of the Clinton-Gore ticket as well as saving our boats.

25 If you look at CenLa Friends of Video Poker, as an
26 example, Central Louisiana Friends of Video Poker, hiring
27 hundreds of people to work on election day, paying them \$50 to
28 \$75 each, you'll find that what those people were passing out was

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1 sample ballots endorsing the gambling referendum but also
2 endorsing Clinton-Gore, illegally under federal law.

3 If you look at Harrah's right here in the city of New
4 Orleans which hired on election day thousands of workers -- and
5 it's all documented who they hired and how much they paid -- you
6 find that what was passed out by those workers was the LIFE
7 ballot representing Mayor Mark Morial's organization here. As a
8 matter of fact, those LIFE ballots, at the head of the ticket is
9 Clinton-Gore being supported.

10 And we find that on election day, November 1996 in
11 this state, over 5,000 people were hired and paid for with
12 corporate dollars by the gambling industry, the riverboats, video
13 poker, and Harrah's representing the land-based casino, to
14 illegally use those funds -- illegally under federal law -- to
15 campaign for federal candidates.

16 There were \$11 million in expenditures reported in
17 that election, according to their campaign finance reports;
18 several million of those were used in that federal election
19 illegally. At the same time it's important for you to know, I
20 think, that the boats here in New Orleans and Harrah's had an
21 active policy of paying election commissioners to work on
22 election day.

23 As a matter of fact, what we simply did is we simply
24 ran the database between election commissioners and people who
25 were paid in the campaign finance reports by Harrah's, and guess
26 what, we found many matches, and the newspapers here reported
27 that very extensively. And it's all in the campaign finance
28 reports, affidavits from people saying what they did, hiring

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1 election commissioners on election day. As a matter of fact, at
2 one of the riverboats it was their active policy to find as many
3 commissioners as they could, hire them to work on election day.

4 In our state today we have a real problem. When I
5 first went in the legislature, the premier lobbying in our state
6 capital was organized labor, then it was business, today the
7 premier group, the most powerful group in our state and the state
8 capital is organized gambling, with over 75 lobbyists. I'll give
9 you an idea of why.

10 There's a secret tax being levied today, levied on
11 video poker in Louisiana, and that's also documented right here
12 in campaign finance reports. That secret tax works like this:
13 we have 15,000 video poker machines in Louisiana; the video
14 machine owners, not the bars and restaurant owners who have the
15 machines, but the video poker machine owners are exacting this
16 secret tax every week, and it's \$15 per week per video poker
17 machine.

18 And you can see in these campaign finance reports:
19 Bill's Lounge paying \$15 for the week of March 13, 1996, \$15 the
20 next week and \$15 the next week; Blanche's Lounge -- it goes
21 right on, hundreds and hundreds of bars and restaurants paying to
22 the video poker machine operators, and what they have created is
23 a slush fund for political purposes, both for lobbying and for
24 campaigning, of \$225,000 a month, \$2.5 million a year, and about
25 \$10 million in each election cycle.

26 Now, with my three minutes about to run up, I'm just
27 going to tell you a couple of other things real quickly.

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1 COMMISSIONER WILHELM: It's run fast, but that's
2 okay; why don't you finish up.

3 MR. JENKINS: In terms of crime, let's talk about
4 crime just a moment in Louisiana and what's happening, and about
5 debt. It's interesting to hear a professional talk about social
6 costs and transfer of payments. According to him, if one person
7 would steal from another, no wealth is destroyed, the ownership
8 is just transferred, it's just a transfer, no social cost.

9 Let me tell you what City Business -- it's our
10 business newspaper here in New Orleans -- wrote about a headline
11 on the front page: "Drowning in Debt: the Record-setting
12 Bankruptcies in our State caused by Gambling." All of these are
13 simply clippings from our press: "Gambling Deals Blow to
14 Elderly" talking about the increase in debts to our elderly;
15 "Problem Gamblers" study shows one in six of our young people age
16 18 to 21 in this state is pathologically addicted to gambling,
17 one in six -- it's just absolutely amazing.

18 Gamblers in our state lost \$1.6 billion. Now, can
19 you really honestly say that if people in our state lost \$1.6
20 billion that we received more than \$1.6 billion in benefits?
21 Does that make sense? Anybody would have to be an idiot to
22 believe that.

23 Now, let's talk about what's happening to our
24 families. "Road to Ruin" -- this is a big front page headline
25 going on and on in the Times-Picayune. "It's the gambling
26 industry's dirty little secret. Addictive gambling has exploded
27 since casinos came to Louisiana, shattering families, wrecking
28 businesses, spawning new felons. Such a tale was the short

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1 unhappy marriage of Mike and Kelly Gilpin which self-destructed
2 during a two-year binge of greed and gambling, yet there's little
3 effort by the state or the industry to deal with the grim side of
4 gambling's underbelly here."

5 "Casino Thrives on Shattered Lives" -- another front
6 page story. Here's a study for you on pathological gambling in
7 our state among young people aged 18 to 21; it's overwhelming.
8 Here's a report to the legislature, the Louisiana Compulsory
9 Gambling Commission, showing that our compulsive gamblers are
10 spending \$660 a month on gambling. That affects between 30- and
11 50,000 people in the state of Louisiana on their pathological
12 gambling spending \$660 a month.

13 What's it done in terms of crimes related to that?
14 Let's start with something like this: In north Louisiana in
15 Vivian, "Gambling Blamed for School Thefts." Here's a high
16 school teacher embezzled \$70,000 from the clubs and organizations
17 at Vivan High School to support his gambling habit. Here's the
18 Little League: "Grant Ham Guilty of Theft, ex Bossier Little
19 League Treasurer Blames Gambling for Addiction." He stole
20 \$11,000 from the Little League. "Gambling Blamed for Theft.
21 Police juror says gambling is factor of increased crime in
22 Calcasieu Parish." That's Lake Charles.

23 Now, here you get in the really serious stuff like
24 the deaths. Here's the nanny who got 40 years. She was
25 babysitting a child, left a three-year-old in the van while she
26 was in the casino gambling, the little baby died. Or you can
27 take what's happening with Terry Lynn Riviere, 43, from

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1 Bogaloosa, Louisiana who murdered who two parents to get the
2 money to support her gambling addiction.

3 It was referred to earlier, but you really need to
4 know the details of -- I'm sorry, that was Shanda Crain who
5 murdered her parents. Here's the serial killer, Daniel Blank,
6 from right up near my hometown near Baton Rouge, he ravaged the
7 river parishes. He committed six murders, left two people
8 desperately hospitalized, their lives are, I think, still in the
9 balance. He was stealing money to support his gambling
10 addiction.

11 Folks, we would have never had this but for the
12 riverboats and the video poker coming to our state.

13 And then the political corruption: our former
14 governor Edwin Edwards announced just the other day he expects to
15 be indicted any day now. That relates to a possible corruption
16 involving the rewarding of riverboat contracts in our state.
17 This story by the Times-Picayune detailed how his close friends
18 were able to profit so greatly from influence in the Edwards
19 administration on gambling.

20 COMMISSIONER WILHELM: Mr. Jenkins, I dislike
21 interrupting, but you've been about ten minutes. I'd appreciate
22 if you could wrap up.

23 MR. JENKINS: Give me a minute and I'll wrap up then.

24 COMMISSIONER WILHELM: Thank you, sir.

25 MR. JENKINS: This is the front page from the
26 Picayune: Edward Debartole turned a thousand dollar investment
27 into \$95 million here in Louisiana by buying and selling things;
28 Robert Guidry sold out for \$88 million; here's Fred Lowe, \$4.1

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1 million; William Broadhurst, \$1.5 million. Most of these folks
2 put up very little money but they got political favors.

3 Our own senate president, who was defeated for re-
4 election, Sammy Nunez, here's the story about him passing out
5 checks from the gambling industry on the floor of the senate in
6 Baton Rouge. And this is the story about my own state senator
7 going to federal prison; the dean of the senate acquitted,
8 although it was clear that he had done a lot of things that he
9 shouldn't have done -- that was Sixty Rayburn who was in the
10 senate for 50 years.

11 And finally, there is a sham going on -- and that's
12 from the Baton Rouge paper -- about the symbiotic relationship
13 between some of our regulators and the gambling industry, and
14 what's happening is that, for example, the former chairman of our
15 Riverboat Gambling Commission is now the lobbyist for the
16 Riverboat Gambling Association in Louisiana. And the former
17 director of the Attorney General's Gaming Division has just
18 applied to be the head of the Riverboat Gambling Association.

19 Folks, we have a serious problem in this country with
20 the proliferation of gambling. There's probably no state that
21 it's hit worse than Louisiana, and there are things that can be
22 done at the federal level about it. One of the things starts
23 with Indian gambling; that's how it got started in our state,
24 that's how it got started in most states. You had casinos, full-
25 fledged casinos, and people said, Well, they've got casinos,
26 they're gambling, they're not taxed, they're not regulated, so
27 we've got to do it too.

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1 You have to have restrictions. The idea that you
2 have sovereign nations in this country within a nation doesn't
3 make sense, that's not true. You ask the Houma Indians: I want
4 to see a treaty ever entered into between the Houma Indians or
5 the Chitimachia Indians, or anybody else, and the United States
6 Senate giving them authority to have casinos. It hasn't
7 happened.

8 COMMISSIONER WILHELM: Mr. Jenkins, if you have
9 further testimony, I would request that you submit it in writing,
10 and if you want to leave any of the material.

11 MR. JENKINS: I'll leave the clippings, and if you
12 want any of this, I'll give you the opportunity to copy it.
13 Thank you, sir.

14 COMMISSIONER WILHELM: Thank you very much for being
15 here. We appreciate your testimony. I'm sorry that our counsel
16 Mr. Terwilliger wasn't here to hear that as well.

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